BILL SUMMARY

S.5565-C (Sanders)/A.9665-C (Abinanti) creates a safe and appropriate regulatory framework for cities and counties seeking to establish public banks. The bill authorizes the NYS Department of Financial Services to issue special-purpose public bank charters – paving the way for public banking in New York.

PUBLIC BANKS FOR PUBLIC GOOD

Financial Justice
Public banks would partner with local, mission-driven financial institutions to expand responsible lending and banking services in historically-redlined communities.

Climate Justice
Through public banks, local governments can invest in renewable energy and other sustainable infrastructure, and move public funds out of banks that finance fossil fuels.

Worker Justice
Public banks can expand living wage jobs and economic opportunity, by financing small businesses, including worker cooperatives and MWBEs, throughout the state.

Housing Justice
Public banks can invest in affordable housing, including social housing, community land trusts, and shared-equity homeownership.

WHAT ARE PUBLIC BANKS?

Public banks are created by governments to strengthen local economies. Through public banking, cities, counties, and regions can leverage public funds to support economic development that advances racial justice and economic democracy.

PROVEN MODEL

Public banking is common throughout the world, from Costa Rica to Germany. In the U.S., the Bank of North Dakota has successfully financed public projects and made responsible loans to small businesses, farmers, and others for more than a century.

Last year, California enacted legislation to facilitate public banking at the local level. It’s time for New York to take action and usher in democratic financial institutions that meet the needs of New York’s communities.